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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

WAYMO LLC,

Plaintiff,

v.

UBER TECHNOLOGIES, INC.,
OTTOMOTTO LLC; OTTO TRUCKING LLC,

Defendants.

Case No. 3:17-cv-00939-WHA

**DEFENDANTS' OPPOSITION TO
WAYMO'S MOTION *IN LIMINE* NO.
15 TO EXCLUDE EVIDENCE
REGARDING WAYMO'S
MOTIVATIONS FOR FILING THIS
LAWSUIT**

Judge: The Honorable William Alsup
Trial Date: October 10, 2017

Waymo wants to tell the jury about an “extraordinary case of misappropriation,” 5/3 Hr’g Tr. at 5:3-18 (Verhoeven), the alleged theft of the “crown jewels” of its autonomous technology, 8/16 Hr’g Tr. at 71:8 (Bailey), when Levandowski “raid[ed] Waymo’s design [SVN] server” and “downloaded 14,000 files, representing approximately 9.7 GB of highly confidential data,” Dkt. 23 at 3, ¶ 4. However, now that Waymo’s case has been whittled down from 121 alleged trade secrets and four patents to barely a handful (some subject to summary judgment), and the evidence shows that Uber never acquired or used Waymo’s 14,000 files (or any others), and now that Waymo’s grand conspiracy theory has been exposed as false, Waymo wants to prevent the jury from learning that this case was instead motivated by Alphabet executives’ concerns about Waymo’s main competitor, Uber.

Waymo’s assertion that there is “no evidence of any motive other than Waymo’s claims having merit” (Mot. at 1) is as baseless as the false premise it relies on; the Court long ago rejected the infringement accusations that Waymo made in its PI motion as “meritless” and exposed Waymo’s “gamesmanship” and “overreaching” in pursuing some of its 121 purported trade secrets. Dkt. 433 at 2, 12-13, 16. And documents Waymo withheld until the last day of discovery (and some for weeks beyond the close of discovery) show that Waymo knew its accusations about Levandowski’s downloading were, at best, misleading if not outright false, yet Waymo still made them. The evidence also shows that Waymo’s decision to investigate Levandowski and other Otto employees, and ultimately to file this lawsuit against Defendants, were driven in large part by competitive concerns.

Waymo’s assertion that evidence of its motivation for pursuing its claims against Uber (and not Levandowski) “is irrelevant and lacks any probative value” (Mot. at 2) is also baseless and elides Ninth Circuit authority and other caselaw allowing juries to hear such evidence in trade secret cases.

A. There Is Evidence Of Motive “Other Than Waymo’s Claims Having Merit.”

Alphabet’s top executives were “extremely concerned” about the competitive impact of Levandowski’s departure and Uber’s subsequent acquisition of Levandowski’s newly-formed startup, Otto. Goodman Decl., Ex. 37 (1/28/16 Email: “Larry [Page] is worried that [Levandowski] will create a competitive venture.”); Ex. 42 (8/23/16 Meeting Notes: “Uber is generally considered to be Chauffeur’s main competitor,” and “[i]f Google were to take actions on preventing the acquisition we need to move as quickly as possible”); Ex. 43 (8/28/16 Email: “There is some management concern

1 around” the “Chauffeur/Otto situation”). That concern drove not just one, but two, investigations of
 2 Levandowski—the first uncovered no “trade secret compromise” (*id.*, Ex. 39 at -800, 804), and the
 3 second found Levandowski had done a full checkout of the “low-value” files from the SVN server,
 4 which did not “ring any alarm bells” for the SVN administrator (*id.*, Ex. 44 at -886). In fact, he
 5 cautioned Waymo internally—up to the day before Waymo filed its claims—that “we all do full
 6 checkouts,” so “the number of files and rough filesize”—14K files totaling 9.7 GB, numbers which
 7 have served as the sensationalized centerpiece of Waymo’s allegations—“aren’t really meaningful”
 8 and Waymo should not “try[] to ascribe suspicion to it.” (*Id.*, Ex. 46 at -936; *see id.* at -890 (the prior
 9 SVN administrator also explained that “sync[ing] the entire [SVN] folder [] wouldn’t be out of
 10 normal operation”). Waymo willfully ignored those shortcomings, seeking injunctive reliefs against
 11 Defendants—but not Levandowski—on “meritless” infringement accusations and 121 purported trade
 12 secrets, “not all of [which] actually qualify as such, and few have been traced into the accused
 13 technology,” but rather resulted from Waymo’s “gamesmanship” and “overreach[ing] in attempting
 14 to claim ownership over general principles and approaches in the field.” *See* Dkt. 433 at 2, 12-13, 16.

15 In attempting to brush aside this evidence of a bad faith motive, Waymo points to the fact that
 16 one of its own witnesses testified that “Waymo’s interest is in maintaining protection over its
 17 technology.” (Mot. at 1-2.) What he actually said was it “is important that [Waymo] maintain [it]s
 18 lead.” (Waymo Ex. 1 at 12:6-7.) Waymo also cites an email it produced stating that “there’s
 19 significant concern that the real value of Uber’s acquisition of Otto is the Chauffeur-related
 20 information our former employees bring with them.” (Mot. at 2.) But that email merely shows a
 21 concern that former employees might inevitably disclose “Chauffeur-related information” to Uber,
 22 and such concerns cannot form the basis of valid trade secret claims. *See FLIR Sys., Inc. v. Parrish*,
 23 174 Cal. App. 4th 1270, 1278 (2009) (affirming finding that trade secret action “was brought in bad
 24 faith based on a theory of inevitable disclosure” and trial court’s refusal to credit plaintiff’s assertion
 25 that it acted in good faith because it “suspected that trade secrets would be misappropriated” by a
 26 former employer who “downloaded technological data onto a portable hard drive before leaving” his
 27 job) (quotations omitted). That same email confirms that Uber’s acquisition of Otto led Waymo to
 28 “accelerate [its] investigation and ensure we’re investigating comprehensively” after discussions with

1 Alphabet executives. (Waymo Ex. 2 at 2; *see also id.* at 1 (“I definitely understand the implications of
 2 the case”); Goodman Decl., Ex. 40 (“We learned today that Uber acquired Otto so there is more
 3 urgency on this issue.”). It also shows that Waymo deliberately decided not “to notify Uber of our
 4 concerns or potential concerns” (Waymo Ex. 2 at 2), choosing instead to sue Uber several months
 5 later based on accusations about downloaded files that Waymo knew were inaccurate and misleading.

6 **B. Motive and Cause Evidence Is Relevant and Admissible In Trade Secret Cases.**

7 Waymo argues that its “purported motivations for bringing this lawsuit bears no relevance and
 8 offers no probative value at trial.” (Mot. at 2.) Waymo’s arguments are baseless for several reasons.

9 *First*, Judge Corley already held that evidence of “Defendants’ theory as to Waymo’s motive
 10 for bringing the lawsuit” is relevant. Dkt. 832 at 4. *Second*, the Ninth Circuit already held that motive
 11 and cause evidence is relevant to a trade secret plaintiff’s putative bad faith in filing or maintaining
 12 claims. *Cargill Inc. v. Progressive Dairy Sols., Inc.*, 362 F. App’x 731, 733 (9th Cir. 2010). Under
 13 Civil Code § 3426.4, “[i]f a claim of misappropriation is made in bad faith, a motion to terminate an
 14 injunction is made or resisted in bad faith, or willful and malicious misappropriation exists, the court
 15 may award reasonable attorney’s fees to the prevailing party.” Waymo is no stranger to this provision
 16 as it is in the complaint, Dkt. at 21, ¶ 88, and Defendants seek fees. Dkts. 703 at 19, 704 at 23. Other
 17 courts in this District and Circuit have held that motive evidence is also relevant to witness credibility,
 18 unclean hands, and other defenses. *See GSI Tech., Inc. v. United Memories, Inc.*, No. 13-CV-01081-
 19 PSG, 2015 WL 12942201, at *1, 2, 6 (N.D. Cal. Oct. 14, 2015) (“a trade secret plaintiff’s litigation
 20 tactics”—including “dismissed claims”—and “reasons for filing suit” are relevant to bad faith and
 21 defenses of unclean hands and failure to mitigate); *Wyatt Tech. Corp. v. Malvern Instruments, Inc.*,
 22 2010 WL 11505684, at *25 (C.D. Cal. Jan. 25, 2010) (witness credibility); *Cargill Inc. v. Progressive*
 23 *Dairy Sols., Inc.*, 2008 WL 4532436, at *3 (E.D. Cal. Oct. 8, 2008), *aff’d*, 362 F. App’x 731 (9th Cir.
 24 2010) (witness credibility and fees); *see also* Dkt. 703, ¶ 158 (unclean hands), ¶ 162 (failure to
 25 mitigate); Dkt. 704, ¶ 188 (failure to mitigate).¹ Waymo placed its motive directly at issue when it

26
 27 ¹ Motive is also relevant to damages in IP cases. *NXP B.V. v. Blackberry, Ltd.*, No. 12-cv-498 YK,
 28 Dkt. 253 at 18-19 (M.D. Fl. Mar. 6, 2014) (motive for filing suit is “intimately entangled with the
 parties’ commercial relationship, which is a required factor in determining a reasonable royalty”).

1 based its allegations on its investigation of Levandowski, and Waymo's motive in pursuing that
 2 investigation when it became clear he and Otto would compete with Waymo (via Uber's acquisition)
 3 and waiting several months to seek relief, is highly relevant to challenging the investigation's
 4 integrity, impeaching Waymo's witnesses, showing Waymo's bad faith, and proving Uber's defenses.

5 **Third**, Waymo cites no authority for its contention that motive is only relevant to "unfair
 6 competition claims or defenses" (Mot. at 1); there is none, as the cases above explain. While Waymo
 7 does cite four district court cases where motive evidence was excluded as irrelevant or prejudicial,
 8 none involved trade secret claims. As Judge Grewal explained, where a trade secret plaintiff's motive
 9 in pursuing its claims is disputed, such evidence "is clearly relevant." *GSI Tech.*, 2016 WL 3035699,
 10 at *3 (N.D. Cal. May 26, 2016).² **Fourth**, "[a]t best, [Waymo] has suggested that there might have
 11 been a danger of the Rule 403 risks, but it has not shown that those risks outweighed the probative
 12 value of the evidence, let alone substantially outweighed it." *Id.* at *3. Just because the evidence about
 13 its motivation "hurts Waymo" is not "a good enough reason to exclude it." 7/26 Hr'g Tr. at 61:12-14.

14 **Fifth**, a trade secrets plaintiff's state of mind will rarely be susceptible of direct proof and may
 15 "be inferred by evidence that [plaintiff] intended to cause unnecessary delay, filed the action to harass
 16 [defendants], or harbored an improper motive," by the "timing of the action," and "where the plaintiff
 17 proceeds to trial after the action's fatal shortcomings are revealed," *FLIR*, 174 Cal. App. 4th at 1278,
 18 or abandons claims, *RBC Bearings Inc. v. Caliber Aero, LLC*, 2016 WL 6562068, at *4 (C.D. Cal.
 19 Aug. 1, 2016). Here, such evidence includes Alphabet's and Waymo's competitive concerns
 20 underlying its investigations, its decision not to tell Defendants of any concerns and then file suit
 21 several months later based on accusations that Waymo knew were inaccurate, its decision not to file
 22 misappropriation claims against Levandowski, and its dismissal and abandonment of most of its
 23 claims. Waymo can argue to the jury that this evidence is just part of some innocent "desire to
 24 exercise and protect its rights" (Mot. at 1), but it cannot preclude Defendants from proving otherwise.

25 _____
 26 ² See also *Wink v. Ott*, 2012 WL 1979461, at *1 (M.D. Pa. 2012) (distinguishing one of Waymo's
 27 cases, *Haught*, and holding that unlike a "typical FLSA action," "the circumstances surrounding
 28 Plaintiff's termination and his motivations for filing suit against Defendants are relevant to his
 credibility"); *NXP*, Dkt. 253 at 19 (distinguishing three of Waymo's cases since none "are patent
 cases, meaning the parties' prior relationship [] was not relevant to a reasonable royalty claim").

1 Dated: September 13, 2017

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16 **ATTESTATION OF E-FILED SIGNATURE**

17 I, Karen L. Dunn, am the ECF User whose ID and password are being used to file this
18 Motion *in Limine*. In compliance with General Order 45, X.B., I hereby attest that Neel
19 Chatterjee has concurred in this filing.

21 /s/ Karen L. Dunn
Karen L. Dunn